



McDonald's Ballarat Football Netball League Inc

Ballarat Football Netball League – Conflict of Interest Policy

1. Introduction

As a Board Director of the Ballarat FNL, you have a duty to place the League's interest above your own interests.

If there is a conflict, as a director it is important that you declare it so that the board can manage it. This helps to maintain the Clubs, members and League supporters trust in the League's Board and their staff.

Identifying conflicts of interest and stepping aside from decision-making allows the Clubs, members and League supporters to see that members of the Board have represented the League's best interests with impartiality and integrity.

Board member & staff must disclose conflicts of interest to demonstrate that they are not using their position for their own private benefit. Doing so avoids perceptions that they are not acting on behalf of the best interests of the Ballarat FNL as required by their appointment to the Board or staff (depending on their role).

2. What is a Conflict of Interest and why does it matter?

Recognising and disclosing conflicts of interest is vital to ensure transparency and accountability in decision making in your role as a Ballarat FNL Director.

Identifying conflicts of interest and stepping aside from decision-making allows the Clubs, members and League supporters to see that Board members & staff have represented the League interest with impartiality and integrity.

Board members and staff must disclose conflicts of interest to demonstrate that they are not using their position for their own private benefit. Doing so avoids perceptions that they are not acting on behalf of the whole League as required by their oath of office or code of conduct, depending on their role.

a) What are the basic principles?

A Board member or Staff member has a conflict of interest when they have a private interest that might compromise their ability to act in the League's best interest.

A conflict of interest can exist even if no improper action results from it.

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Under our democratic system we expect our elected representatives and staff to have an "open mind" and to act fairly and without bias when making decisions which affect the rights and interests of the Ballarat FNL.

3. Types of Conflict

Types of conflict you can have as a Director of the Ballarat FNL.

a) Material conflict of interest

A material conflict of interest is when there may have been a benefit gained or a loss suffered. For a material conflict of interest, there must be a potential benefit or loss to the relevant person or someone who has a relationship with them.

Examples of relationships are:

- Family members
- Employers
- Business partners
- Where the relevant person acted as a consultant, contractor or agent.
- A beneficiary of a trust
- A person who gave a disclosable gift to the relevant person.

The benefit or loss can be direct or indirect, pecuniary or non-pecuniary.

A conflict of interest is a conflict with your duty as a board director and your private interests. This conflict exists if your private interests influence, or are seen to influence, your decisions or actions as a board director. Private interests include direct interests, such as your own personal, professional or business interests. They also include indirect interests, such as the personal or business interests of the individuals or groups connected to you.

Examples of private interests

i) Financial interests

A potential financial loss or gain for yourself or someone you know can create a conflict of interest. This conflict exists if you or someone connected to you is financially affected by your decisions as a board director. This could mean you, or someone you know:

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- Owns property used by a company bidding for Ballarat FNL work.
- Holds shares in a company bidding for Ballarat FNL work.
- Has a position in a company bidding for Ballarat FNL work.

Money doesn't need to change hands for a financial conflict to exist. It could be you or someone you know getting something from a source related to your organisation, such as:

- Concessions or discounts
- Gifts
- Hospitality

ii) Conflict of duty

A conflict of duty is a conflict between your duty as a board director and your duty to another organisation.

This conflict exists if you have 2 or more roles that have competing priorities. E.g. You are on the Committee of a Ballarat FNL member Club.

A potential conflict of duty exists in this situation. Your duty to act in the best interests of the Ballarat FNL may conflict with your duty as a member of a Ballarat FNL Club. E.g. Fee increase, player finals eligibility, etc.

In such cases a Ballarat FNL Board member should formally declare and register their potential conflict of duty with the board of the Ballarat FNL and their member Club.

The boards involved should then consider whether they will require you to be removed from involvement in this particular matter, or whether they view the conflict as deeper and require you to relinquish one of your board positions permanently.

iii) Conflict with a private organisation

You may have a duty to another private organisation.

For example, you may be a director of a private company, a member of a professional organisation, or an office bearer or volunteer at a local club that provides you with access to privileged and confidential information.

In such cases a Ballarat FNL Board member should formally declare and register their potential conflict with the private organisation/club with the board of the Ballarat FNL and their member Club.

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iv) Actual, potential and perceived conflicts

A conflict can be actual, potential and perceived:

o *Actual*

There is a current conflict with your duties as a board director and your private interests or duties.

o *Potential*

There is a potential conflict with your private interest or other duty and your duties as a board director.

o *Perceived*

The members of the Ballarat FNL, Clubs & supporters could believe your private interests or other duties may influence your performance as a board director.

b) *General Conflict of Interest*

A general conflict of interest is known as "the pub test".

This defines a general conflict of interest as occurring if "an impartial, fair-minded person would consider that the person's private interests could result in that person acting in a manner that is contrary to their public duty".

It requires a relevant person to exercise good judgement in identifying situations in which they may have a conflict of interest.

This conflict exists if your private interests influence, or are seen to influence, your decisions or actions as a board director. Private interests include direct interests, such as your own personal, professional or business interests. They also include indirect interests, such as the personal or business interests of the individuals or groups connected to you.

4. A Personal Responsibility

It is a personal judgement and decision to disclose a conflict of interest.

If you are a "relevant person", you must identify your own conflicts of interest and exclude yourself from the decision-making process.

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It is therefore important for Board members and staff to ensure they understand the requirements and seek further advice to avoid being challenged and accused of breaching their statutory obligations.

5. What to ask if you have a Conflict of Interest

If you think you have a conflict of interest, ask yourself:

- Would a reasonable person make the same decision in light of the same facts and circumstances?
- Your loyalty to the board
- If you're a member of an industry group or another organisation, you may experience a conflict of loyalty.
- As a board director your first loyalty is to the organisation that appointed you.
- You have a duty to help it fulfil its functions.
- You have this duty even if an industry group or another organisation appointed you first.

6. How to Declare a Conflict of Interest

As a board director, you should declare any conflict of interest to your organisation.

As a board director, you must declare any interests that could create a conflict of interest.

7. How to register your Conflict of Interest in Board meetings

As a board director, at the start of a board meeting you have an obligation when it comes to conflicts of interest.

You must confirm your interests in an organisation' that is on the agenda for discussion.

The board will decide if you can take part in the agenda item and how to manage your conflict of interest.

8. How to Manage a Conflict of Interest

Your board has a duty to have and enforce a process to manage board directors' conflicts of interest.

Your board's process must:

- Ask directors to disclose all interests at meetings.
- Record all disclosures in the meeting's minutes.

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- have the board decide if a conflict of interest will affect the board's duties.

Your board's process should let the board:

- ask a board director with a conflict of interest be absent from meetings while the board considers the conflict.
- ban the board director from taking part in any board decisions that relate to the conflict.

9. What Happens if you Declare a Conflict?

If you declare a conflict of interest with an agenda item, your board must decide how to manage the conflict. You can't take part in this decision.

The board usually deals with the conflict in one or more of the following ways:

a) Record and monitor - The board can record details of the conflict in the minutes and monitor whether further action is required.

b) Restrict - The board can restrict your involvement in the matter. For example, you may be:

- i. permitted to take part in some discussion.
- ii. not permitted to take part in any decision-making.

c) Remove - The board can remove you from any discussion or decision-making on the matter. This means:

- i. you must leave the room during the agenda item.
- ii. you must not take part in any discussion or decision making on the matter, either during the meeting or elsewhere.

d) Relinquish or Resign

The board can recommend that you relinquish the private interest concerned. If this does not occur, the board may recommend that you resign.

e) Managing a conflict in a different way

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10. Exemptions

A conflict of interest does not arise in some situations. These apply to both material and general conflicts of interest.

The exemptions are:

- The interest is in common with a substantial proportion of League member Clubs and does not exceed the interest held by them.
- There was no knowledge of the interest.
- They were acting as a Board or Officer representative and received no personal advantage.
- A family member is a member (but not an office holder) of a not-for-profit organisation. E.g. a member club.
- They belong to a not-for-profit advocacy organisation which has expressed an opinion.

In addition, some Board decisions are also exempt from conflict of interest. These are generally decisions with a limited scope.

11. Conflict of Interest in Practice

The League may receive a number of complaints about conflict of interest.

The Ballarat FNL understand that our members and supporters are concerned about conflicts of interest, and we are prepared to hold Board members and staff accountable. Our member & supporters want decisions that are transparent and impartial.

A conflict may not exist however if it fails the "pub test", then not declaring it will damage the trust that our members and supporters have in the decisions made by the League Board and / or Staff.

Declaring conflicts of interest improves transparency and trust in the impartiality of Ballarat FNL decisions.

12. What is and isn't Conflict of Interest

The following examples are a guide to what are potential real or perceived conflicts of interests and interests that are not in breach. However, conflict of interest can only be judged by the specific circumstances of each case.

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Conflicts of interest

A Board Member/ Staff member fails to excuse themselves when their partner applies for a job at the Ballarat FNL.

A Board member / staff member is a part-owner of a company that applies for work with the Ballarat FNL and their interest is not declared.

A Board/Staff member is a Board/Committee member of a Ballarat FNL Member Club.

A Board/Staff member is a Board/Committee member, or holds an Official position such as Coach, Assistant Coach or is paid employee of a Ballarat FNL Member Club.

A Board Member does not leave a delegated committee or Board meeting where there is a discussion or decision about a matter pertaining to that Clubs interests (excluding Fixturing).

A Board member / Staff member does not leave a meeting where the Board makes a decision on Clubs financial matters, including sanctions, fines, etc.

Interests that are not in breach

A Board Members family member is a Coach/Asst Coach or Volunteer (and not an office holder) at a member club and the Board Member is involved in decisions regarding that club.

A Board member is a Member, Life Member, Volunteer or former Office Bearer (but is not currently a board member) of a member club. The Board members interests do not exceed others as a substantial proportion of leagues officials, members & supporters do belong to sporting clubs.

If you are a former Player, Coach or Official (but you are not currently a board member) of a member club interests do not exceed others as a substantial proportion of leagues officials, members & supporters do belong to sporting clubs, and this is not considered a Conflict of Interest.

If you have children, stepchildren, grandchildren or other family members who play at a member club (but you are not currently a board member) of that member club your interests do not exceed others as a substantial proportion of leagues officials, members & supporters have family members who do belong to sporting clubs, and this is not considered a Conflict of Interest.

13. Be Alert for Connections

Be aware of connections as these will indicate that there is a conflict of interest.

For example:

- Someone with whom you have a personal association has asked you to vote a particular way.
- You have information about the matter as a result of your personal affairs.

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